CURRENCY EXCHANGE INTERNATIONAL, CORP.

Condensed Interim Consolidated Financial Statements
For the three months ended December 31, 2012
(Expressed in U.S. Dollars)
(Unaudited)

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Management's Responsibility for
Condensed interim consolidated financial statements

The accompanying unaudited condensed interim consolidated financial statements of Currency Exchange International, Corp. (the "Company") are the responsibility of management and the Board of Directors.

The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 - Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed) *"Randolph Pinna"*
Randolph Pinna
President and Chief Executive Officer

(signed) *"Wade Bracy"*
Wade Bracy
Chief Financial Officer

Orlando, Florida
February 7, 2013

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Financial Position
As at December 31, 2012 and September 30, 2012
(Expressed in U.S. Dollars)
(Unaudited)

ASSETS

	December 31, 2012	September 30, 2012
Current assets	$	$
Cash	17,488,480	16,564,453
Accounts receivable	1,326,701	603,602
Restricted cash held in escrow (Note 5)	159,929	132,340
Other current assets (Note 20)	281,313	312,975
Total current assets	19,256,423	17,613,370
Property and equipment (Note 7)	404,369	391,125
Intangible assets (Note 8)	238,180	185,929
Other assets	30,336	35,204
Total assets	19,929,308	18,225,628

LIABILITIES AND EQUITY

	December 31, 2012	September 30, 2012
Current liabilities		
Accounts payable	998,729	682,572
Accrued expenses	344,953	690,212
Income taxes payable	84,592	146,438
Deferred rent	30,000	23,995
Warrant liability (Note 13)	434,093	418,827
Short-term note payable and Line of Credit (Note 10)	1,265,759	-
Total current liabilities	3,158,126	1,962,044
Deferred tax liability	36,629	36,610
Total liabilities	3,194,755	1,998,654
Shareholder's equity		
Share capital (Note 15)	3,931,702	3,872,068
Equity reserves (Note 15)	8,038,942	7,623,905
Stock options (Note 15)	110,256	64,409
Broker options (Note 15)	36,235	129,512
Retained earnings	4,617,418	4,537,080
Total shareholder's equity	16,734,553	16,226,974
Total liabilities and equity	19,929,308	18,225,628

Commitments and contingencies (Notes 6 and 19)
Subsequent events (Note 18 and 21)
Approved on behalf of Board of Directors:

(signed) "Randolph Pinna", Director

(signed) "Chirag Bhavsar", Director

Refer to accompanying notes to the unaudited condensed interim consolidated financial statements .

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Income and Comprehensive Income
Three months ended December 31, 2012
(Expressed in U.S. Dollars)
(Unaudited)

			Three months ended		
			December 31, 2012		**December 31, 2011**
Revenues			$		$
Commissions from trading (Note 4)			2,552,675		2,444,193
Fee income (Note 4)			255,378		271,793
Total revenues			2,808,053		2,715,986
Operating expenses (Note 17)			2,499,820		1,884,777
Net operating income			308,233		831,209
Other income (expense)					
Interest income			413		33
Gain on forward contract (Note 12)			-		55,074
Fair value change in warrant liability (Note 13)			2,871		-
Interest and accretion (Note 10)			(5,648)		(68,126)
Expenses related to Exchange Bank of Canada (Note 18)			(133,389)		-
Gain on disposal of equipment			1,500		-
Total other income (expense)			(134,253)		(13,019)
Income before income taxes			173,980		818,190
Income taxes			93,642		281,921
Net income and comprehensive income for the period			80,338		536,269
Earnings per share (Note 16)					
	- basic	$	0.02	$	0.22
	- **diluted**	$	0.02	$	0.22
Weighted average number of common shares outstanding (Note 16)					
	- **basic**		3,873,371		2,492,068
	- **diluted**		3,873,860		2,492,068

Refer to accompanying notes to the unaudited condensed interim consolidated financial statements .

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Changes in Equity
Three months ended December 31, 2012
(Expressed in U.S Dollars)
(Unaudited)

	Common Stock			Broker Options		Stock Options			
	Shares	**Amount**	**Equity Reserves**	**Broker Options**	**Amount**	**Stock Options**	**Amount**	**Retained Earnings**	**Total**
	#	$	$	#	$	#	$	$	$
Balance at September 30, 2011	2,492,068	2,492,068	1,847,842	-	-	-	-	1,819,428	6,159,338
Net comprehensive Income	-	-	-	-	-	-	-	536,269	536,269
Balance, December 31, 2011	2,492,068	2,492,068	1,847,842	-	-	-	-	2,355,697	6,695,607
Issuance of shares (Note 15)	1,380,000	1,380,000	6,479,701	-	-	-	-	-	7,859,701
Issuance of broker options (Note 15)	-	-	-	82,800	129,512	-	-	-	129,512
Issuance of stock options (Note 15)	-	-	-	-	-	90,000	64,409	-	64,409
Share issue costs (Note 15)	-	-	(703,638)	-	-	-	-	-	(703,638)
Net comprehensive Income	-	-	-	-	-	-	-	2,181,383	2,181,383
Balance, September 30, 2012	3,872,068	3,872,068	7,623,905	82,800	129,512	90,000	64,409	4,537,080	16,226,974
Issuance of shares (Note 15)	59,634	59,634	339,897	-	-	-	-	-	399,531
Exercise of broker options (Note 15)	-	-	75,140	(59,634)	(93,277)	-	-	-	(18,137)
Issuance of stock options (Note 15)	-	-	-	-	-	116,000	45,847	-	45,847
Net comprehensive income	-	-	-	-	-	-	-	80,338	80,338
Balance, December 31, 2012	3,931,702	3,931,702	8,038,942	23,166	36,235	206,000	110,256	4,617,418	16,734,553

Refer to accompanying notes to the unaudited condensed interim consolidated financial statements.

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Cash Flows
Three months ended December 31, 2012
(Expressed in U.S. Dollars)
(Unaudited)

	Three Months Ended	
	December 31, 2012	**December 31, 2011**
Cash flows from operating activities	$	$
Net income	80,338	536,269
Adjustments to reconcile net income to net cash flows from operating activities		
Amortization	68,610	57,964
Stock based compensation	45,847	-
Gain on disposal of equipment	(1,500)	-
Foreign exchange gain on forward contract	-	(55,074)
Accretion expense	2,775	42,873
Non cash change in deferred taxes	19	(14,894)
Non cash fair value change in warrant liability	(2,871)	-
Increase (decrease) in cash due to change in:		
Accounts receivable	(723,099)	(258,367)
Other assets	36,530	(16,229)
Restricted cash held in escrow	(27,589)	(5,815)
Accounts payable, accrued expenses, and deferred rent	(84,943)	4,921
Net cash flows from operating activities	(605,883)	291,648
Cash flows from investing activities		
Purchase of property and equipment	(69,164)	(56,259)
Purchase of intangible assets	(64,941)	(14,117)
Proceeds from sale of equipment	1,500	-
Net cash flows from investing activities	(132,605)	(70,376)
Cash flows from financing activities		
Proceeds from exercise of broker options	399,531	-
Repayment of long-term debt	-	(28,352)
Borrowings on short-term note payable and line of credit	1,262,984	-
Repayment on shareholder loan payable	-	(8,643)
Net cash flows from financing activities	1,662,515	(36,995)
Net change in cash	924,027	184,277
Cash, beginning of period	16,564,453	8,588,662
Cash, end of period	17,488,480	8,772,939
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for income taxes	142,057	192,129
Cash paid during the period for interest	335	46,082
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Warrants issued on conversion of broker options	18,137	-

Refer to accompanying notes to the unaudited condensed interim consolidated financial statements.

1. Nature of Operations, Basis of Presentation

Nature of operations

Currency Exchange International, Corp. (the "Company") was originally incorporated under the name Currency Exchange International, Inc. under the Florida Corporations Act on April 7, 1998. The Company changed its name to Currency Exchange International, Corp. on October 19, 2007 and commenced its current business operations at that time. The Company is a public corporation whose shares are listed and posted for trading on the Toronto Stock Exchange (TSX) under the symbol "CXI.S". The Company operates as a money service business and provides currency exchange, wire transfer, and cheque cashing services at its locations in Canada and the United States. The Company currently maintains a head office and four vaults as well as 24 branch locations. The Company's registered head office is located at 4901 Vineland Road, Suite 580, Orlando, Florida, 32811, United States of America. The majority of the Company's operations are currently in the United States.

Basis of presentation

The presentational currency of the Company's unaudited condensed interim consolidated financial statements is the U.S. dollar. The accounting policies set out in Note 2 have been applied consistently to all periods presented in these financial statements. These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, with exception to certain financial instruments measured at fair value. In addition these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Statement of compliance

These unaudited condensed interim consolidated financial statements of the Company and its subsidiary were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"). They do not include all of the information required for full annual financial statements.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of February 7, 2013, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending September 30, 2013 could result in restatement of these condensed interim consolidated financial statements.

The same accounting policies are used in the preparation of these unaudited condensed interim consolidated financial statements as for the most recent audited annual financial statements and reflect all the adjustments necessary for the fair presentation in accordance with IFRS of the results for the interim periods presented.

Use of estimates

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed interim consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited interim condensed consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

1. Nature of Operations, Basis of Presentation (continued)

Critical accounting estimates
Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Carrying value of intangible assets
The Company makes significant judgments about the value of its proprietary software, www.ceifx.com. Once the scope of a project is deemed technologically feasible, the Company capitalizes costs incurred for the planning, development, and testing phases of modules developed within its software. Subsequent to the completion of the software development cycle, each module is amortized over a period of five years. Costs relating to software maintenance, regular software updates, and minor software customizations are expensed as incurred.

Share-based payments including broker options
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates, future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Information about significant areas of estimation and critical judgments in applying accounting policies that have significant effects on the amounts recognized in the unaudited condensed interim consolidated financial statements are included in the following notes:

Assets' carrying values and impairment charges
In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period. The Company reviews property and equipment and intangible assets for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Amortization expense
The Company's property and equipment and intangible assets are amortized over their estimated useful economic lives. Useful lives are based upon management's estimates of the length of time that the assets will generate revenue, which is reviewed at least annually for appropriateness. Changes to these estimates can result in variations in the amounts charged for amortization and in the assets' carrying amounts.

Contingencies
Refer to Note 19.

Certain comparative amounts have been reclassified to conform to the current period's presentation.

2. Accounting Policies

Principles of consolidation
The unaudited condensed interim consolidated financial statements comprise the financial statements of the Company and its wholly-owned subsidiaries, Currency Exchange International of Canada Corp, a corporation incorporated under the Canada Business Corporations Act and Currency Exchange International America Corp., a corporation incorporated under the Florida Corporations Act. Currency Exchange International America Corp. is not operational and holds no assets or liabilities.

Subsidiaries are entities over which the Company has control, where control is defined as the power to govern financial and operating policies of an entity so as to obtain benefit from its activities. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date control ceases. All material intercompany transactions are eliminated on consolidation

Cash
Cash includes, but is not limited to:

- local and foreign currency notes;
- local and foreign monies held in tills and vaults;
- local and foreign monies in transit;
- local and foreign monies in branches or distribution centers; and
- bank accounts.

Foreign cash is recorded at market value based on foreign exchange rates as at December 31, 2012 and September 30, 2012, respectively.

Accounts receivable
Trade accounts receivable are stated net of an allowance for doubtful accounts. Accounts receivable consist primarily of bulk currency trades with a settlement cycle of 24 to 48 hours. The amount of accounts receivable varies widely from period to period due to the volume of activity and timing differences. There is minimal counter-party risk as the bulk of the Company's receivables reside with banks and other financial institutions. Management estimates the allowance based on an analysis of specific customers, taking into consideration the age of past due accounts and an assessment of the customer's ability to pay. The Company does not accrue interest on past due receivables. Management determined that allowance for doubtful accounts was $Nil and $Nil as of December 31, 2012 and September 30 2012, respectively.

Revenue recognition
Commissions from trading is the difference between the cost and selling price of foreign currency products, including bank notes, wire transmissions, cheque collections and draft issuances (foreign currency margin) and the revaluation of open foreign exchange positions to market value, together with the net gain or loss from foreign currency forward contracts used to offset the changes in foreign exchange positions and commissions paid on the sale and purchase of currencies. These revenue streams are all reflected in commissions from trading and are recognized at the time each transaction takes place or at the end of each reporting period when revaluations of foreign exchange positions take place.

Fee income includes fees collected on cheque cashing, wire transfers, cheque collections, and currency exchange transactions. Fee income is recognized when the transaction is made on a trade date basis.

2. Accounting Policies (continued)

Foreign currencies
Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the consolidated statement of financial position date are translated at rates at that date. Exchange gains and losses, which arise from normal trading activities, are included in operating expenses in the consolidated statements of income and comprehensive income when incurred. The functional currency of Currency Exchange International of Canada Corp, is the Canadian dollar and the functional currency of the parent and Currency Exchange International America Corp. is the U.S. dollar.

In situations where the functional currency is not the same as the presentation currency, foreign currency denominated assets and liabilities are translated to their U.S. dollar equivalents using foreign exchange rates in effect at the consolidated statement of financial position date. Revenues and expenses are translated at average rates of exchange during the period. Exchange gains or losses arising on foreign currency translation are included in other comprehensive income.

Foreign currency forward contracts
Foreign currency forward contracts are recognized on the Company's consolidated statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The instrument is derecognized from the consolidated statement of financial position when the contractual rights or obligations arising from that instrument expire or are extinguished. Forward currency contracts are recognized at fair value. The gain or loss on fair value is recognized immediately in the consolidated statement of income and comprehensive income.

Leases
The Company has entered into operating leases. Payments on operating lease agreements are recognized and expensed on a straight-line basis over the term of the lease. Associated costs, such as maintenance and insurance, are expensed as incurred.

Property and equipment
Property and equipment is initially recorded at its cost and amortized over its estimated useful life. Cost includes expenditures which are directly attributable to bringing the asset into working condition for its intended useful use. Amortization is calculated on a straight line basis, as follows:

Vehicles	3 years
Computer equipment	3 years
Furniture and equipment	3 years
Leasehold improvements	over the term of the lease

When parts of an asset have different useful lives, amortization is calculated on each separate part. In determining the useful lives of the component parts, the Company considers both parts physical and technological life limitations. Estimates of remaining useful lives and residual values are reviewed annually. Changes in estimates are accounted for prospectively.

2. Accounting Policies (continued)

Provisions

Provisions are recognized when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of income and comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Intangible assets

Intangible assets are comprised of internally developed software and various modules relating to this software. Costs related to the development of software prior to technological feasibility are expensed. Once the Company concludes that technological feasibility has been obtained and the Company intends to use the software, all subsequent development costs are capitalized and reported at cost less any accumulated amortization and any accumulated losses.

Amortization is calculated on a straight line basis over the estimated useful life of 5 years.

Share-based payments including broker options

The Company's share option plan allows employees and consultants to acquire shares of the Company. Equity settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a graded vesting basis over the period during which the employee becomes unconditionally entitled to the equity instruments, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Financial assets

Financial assets within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or derivatives. The Company determines the classification of its financial assets at initial recognition.

Fair value through profit and loss

Financial assets at fair value through profit and loss are initially recognized at fair value with changes in fair value recorded through income. Cash in local and foreign currencies held in tills, vaults, or in transit are included in this category of financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Financial assets including cash held by banks, accounts receivable, financial instruments included in other current assets and restricted cash held in escrow are all classified as loans and receivables.

2. Accounting Policies (continued)

Derivative financial instruments
Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each consolidated statement of financial position date. The resulting gain or loss is recognised in profit or loss immediately. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Financial liabilities
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or other financial liabilities. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value. The Company's financial liabilities include accounts payable, accrued expenses, shareholder loan payable, and short term note payable which are all classified as other financial liabilities. Warrant liability is classified as fair value through profit or loss.

Other financial liabilities
Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Other financial liabilities are derecognized when the obligations are discharged, cancelled or expired.

Financial instruments recorded at fair value
Financial instruments recorded at fair value in the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of December 31, 2012 and September 30, 2012, cash including foreign currencies held in tills and vaults and warrant liability are classified as Level 1 financial instruments

Earnings per share
The Company presents basic and diluted earnings per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive warrants and options outstanding that may add to the total number of common shares.

3. New Accounting Polices and Future Accounting Pronouncements

New accounting policies
IFRS 7 *Financial instruments - Disclosures* ("IFRS 7") was amended by the IASB in October 2010 and provides guidance on identifying transfers of financial assets and continuing involvement in transferred assets for disclosure purposes. The amendments introduce new disclosure requirements for transfers of financial assets including disclosures for financial assets that are not derecognized in their entirety, and for financial assets that are derecognized in their entirety but for which continuing involvement is retained. The amendments to IFRS 7 are effective for annual periods beginning on or after July 1, 2011. The Company has implemented this new standard and has determined that it did not have a significant impact on its unaudited interim consolidated financial statements.

Future accounting pronouncements
Certain pronouncements were issued by the IASB or IFRIC. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following standards have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 (2009) Financial Instruments ("IFRS 9 (2009)") was issued in November 2009 and contained requirements for financial assets. The standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 (2009) also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. IFRS 9 (2009) amends some of the requirements of IFRS 7 including added disclosures about investments in equity instruments designated through fair value of other comprehensive income.

IFRS 9 (2010) Financial Instruments ("IFRS 9 (2010)") was issued in October 2010 and contains all of the requirements in IFRS 9 (2009), as well as requirements for financial liabilities. Most of the guidance in IFRS 9 (2010) related to the recognition and measurement of financial liabilities remains unchanged from current IFRS. This standard is required to be applied for accounting periods beginning on or after January 1, 2015, with earlier adoption permitted. The Company has not yet determined the impact of the amendments to IFRS 9 on its unaudited interim consolidated financial statements.
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FRS 10 *Consolidated Financial Statements* ("IFRS 10") provides a single model to be applied in the control analysis for all investees, including entities that currently are special purpose entities in the scope of SIC 12 *Consolidation – Special purpose entities*. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 *Consolidated and Separate Financial Statements.* The Company intends to adopt IFRS 10 in its consolidated financial statements for the annual period beginning October 1, 2013. The Company has not yet determined the impact of IFRS 10 on its unaudited condensed interim consolidated financial statements .

IFRS 12 *Disclosure of Involvement with Other Entities* ("IFRS 12") was issued in May 2011. IFRS 12 requires a parent company to disclose information about significant judgments and assumptions it has made in determining whether it has control, joint control, or significant influence over another entity and the type of joint arrangement when the arrangement has been structured through a separate vehicle. An entity should also provide these disclosures when changes in facts and circumstances affect the entity's conclusion during the reporting period. This standard is effective for annual periods beginning on or after October 1, 2013, and early adoption is permitted. The Company has not yet determined the impact of IFRS 12 on its unaudited condensed interim consolidated financial statements.

3. New Accounting Polices and Future Accounting Pronouncements (continued)

IFRS 13 *Fair Value Measurement* ("IFRS 13") was issued in May, 2011 and provides guidance on how to measure fair value, as well as requiring specific disclosures related to fair value measurements recognized and in the financial statements.. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The Company has not yet determined the impact of IFRS 13 on its unaudited condensed interim consolidated financial statements.

IAS 1 *Presentation of Financial Statements* ("IAS 1") was amended by the IASB in June 2011 in order to improve consistency and clarity of the presentation of items in other comprehensive income. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012. The Company has not yet determined the impact of the amendments to IAS 1 on its unaudited condensed interim consolidated financial statements.

IAS 32 Financial Instruments - Presentation ("IAS 32") was amended to clarify the criteria that should be considered in determining whether an entity has a legally enforceable right of set off in respect of its financial instruments. Amendments to IAS 32 are applicable to annual periods beginning on or after January 1, 2014 with retrospective application required. Earlier application is permitted. The Company is assessing the impact of IAS 32 on its unaudited condensed interim consolidated financial statements.

December 31, 2012 (Expressed in U.S. Dollars)

4. Operating Segments

The Company operates in the United States and Canada. The Company's revenue from external customer and information about its assets by geographical location are detailed below:

	Commissions from trading	Fee income	Total revenues
Three months ended December 31, 2011	$	$	$
United States	2,448,505	271,378	2,719,883
Canada	(4,312)	415	(3,897)
	2,444,193	271,793	2,715,986
Three months ended December 31, 2012			
United States	2,246,145	254,587	2,500,732
Canada	306,530	791	307,321
	2,552,675	255,378	2,808,053

	December 31, 2012			September 30, 2012		
	United States	Canada	Total	United States	Canada	Total
	$	$	$	$	$	$
Cash	12,384,842	5,103,638	17,488,480	10,018,626	6,545,827	16,564,453
Accounts receivable	1,165,595	161,106	1,326,701	389,754	213,848	603,602
Restricted cash held in escrow	159,929	-	159,929	132,340	-	132,340
Other current assets	264,889	20,249	285,138	304,019	8,956	312,975
Property and equipment	323,125	81,244	404,369	301,405	89,720	391,125
Intangible assets	238,180	-	238,180	185,929	-	185,929
Other assets	24,025	6,311	30,336	28,819	6,385	35,204
Total assets	14,560,585	5,372,548	19,933,133	11,360,892	6,864,736	18,225,628

December 31, 2012 (Expressed in U.S. Dollars)

5. Restricted Cash Held in Escrow

Certain of the Company's secured transactions and derivative contracts require the Company to post cash collateral or maintain minimum cash balances in escrow. The foreign currency forward contracts can be closed immediately resulting in the collateral being liquidated.

The Company had the following cash collateral amounts at December 31, 2012 and September 30, 2012:

	December 31, 2012	**September 30, 2012**
Restricted Cash	$	$
Collateral related to foreign currency forward contracts (Note 12)	159,929	132,340
Total restricted cash	159,929	132,340

6. Operating Leases

The Company has entered into non-cancellable operating lease and license agreements with terms in excess of one year for the use of certain facilities. The rent expense associated with these leases for the three months ending December 31, 2012 were approximately $321,111 (three months ended December 31, 2011 - $247,558). The licensing fees associated with these agreements for the three months ended December 31, 2012 was approximately $54,413 (three months ending December 31, 2011 - $52,586).

The following is a schedule of future minimum rental payments and license fees required under these agreements as of December 31, 2012:

Year ended		**Remaining minimum payments required**
September 30, 2013	$	818,386
September 30, 2014	$	718,856
September 30, 2015	$	309,254
September 30, 2016	$	41,088
September 30, 2017	$	35,139
Total	**$**	**1,922,723**

The Company is also responsible for its proportionate share of operating costs.

December 31, 2012 (Expressed in U.S. Dollars)

7. Property and Equipment

Property and equipment consisted of the following as of December 31, 2012 and September 30, 2012:

Cost	Vehicles $	Computer equipment $	Furniture and equipment $	Leasehold improvements $	Total $
Balance, September 30, 2011	51,567	88,062	100,927	462,135	702,691
Additions	14,806	44,183	70,899	127,352	257,240
Disposals	-	(7,761)	-	-	(7,761)
Balance, September 30, 2012	66,373	124,484	171,826	589,487	952,170
Additions	-	4,315	12,325	52,524	69,164
Disposals	(16,280)	-	-	-	(16,280)
Balance, December 31, 2012	50,093	128,799	184,151	642,011	1,005,054

Accumulated amortization	Vehicles $	Computer equipment $	Furniture and equipment $	Leasehold improvements $	Total $
Balance, September 30, 2011	30,146	64,623	66,753	185,057	346,579
Amortization	12,100	25,501	29,995	150,350	217,946
Disposals	-	(3,480)	-	-	(3,480)
Balance, September 30, 2012	42,246	86,644	96,748	335,407	561,045
Amortization	2,610	7,647	9,993	35,670	55,920
Disposals	(16,280)	-	-	-	(16,280)
Balance, December 31, 2012	28,576	94,291	106,741	371,077	600,685

Carrying amounts	Vehicles $	Computer equipment $	Furniture and equipment $	Leasehold improvements $	Total $
Balance, September 30, 2012	24,127	37,840	75,078	254,080	391,125
Balance, December 31, 2012	21,516	34,508	77,410	270,934	404,369

8. Intangible Assets

Intangible assets are comprised of the Company's internally developed software and its related modules. Amortization is computed on an individual product basis over the estimated economic life of the product using the straight-line method. The balance of intangible assets as of December 31, 2012 and September 30, 2012 consisted of:

	Cost $	Amortization $	Net Book Value $
Balance, September 30, 2011	149,201	14,900	134,301
Additions	82,389	30,761	51,628
Balance, September 30, 2012	231,590	45,661	185,929
Additions	64,941	12,690	52,251
Balance, December 31, 2012	296,531	58,351	238,180

9. Seasonality of Operations

Seasonality is reflected in the timing of when foreign currencies are in greater or lower demand. In a normal operating year there is some seasonality to the Company's operations with higher commissions generally in the three months ended June and September, and fewer commissions generally in the three months ended December and March. This coincides with peak tourism seasons in North America when there are generally more travelers entering and leaving the United States and Canada.

10. Line of Credit and Short-Term Note Payable

On January 4, 2011, the Company entered into a Master Purchasing Agreement to borrow up to Cdn$5,000,000 with a shareholder of the Company. On December 14, 2011, the Company amended the terms of the Master Purchasing Agreement to reduce the available credit from Cdn$5,000,000 to Cdn$2,000,000 upon completion of the offering described in Note 15. The Master Purchasing Agreement is subordinate to the credit line held with Branch Banking and Trust Company described below and is not securitized. Specific repayment terms and interest rates are negotiated when drawings are made. On December 19, 2012 the Company entered in to an arrangement to receive a net value of $993,400 in an exchange for a promise to repay $1,000,000 on January 17, 2013. As at December 31, 2012, the outstanding balance on the short-term note payable was $996,175 (September 30, 2012 - $Nil). During the three months ending December 31, 2012, the Company realized interest and accretion expense of $2,775 (three months ending December 31, 2011 - interest and accretion of $42,873).

In May of 2012, the Company entered into a line of credit agreement with Branch Banking and Trust Company for a principal amount of up to $1,000,000. The line of credit bears interest at the bank's prime rate (as at December 31, 2012 3.25%) and is secured against the Company's cash and non-cash assets. Any and all future debt is subordinate to the credit line. As at December 31 2012, the balance on the line of credit was $269,584 (September 30, 2012 - $Nil). During the three months ended December 31, 2012, the Company realized interest of $56 (three months ending December 31, 2011 - $Nil).

11. Risk Management

The Company manages its capital to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, obtaining loan financing, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, which comprises share capital, equity reserves, stock and broker options, and retained earnings, which as at December 31, 2012, totaled $16,734,553 (September 30, 2012 - $16,226,974). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its daily operations. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended December 31, 2012.

The Company is subject to various capital requirements imposed by lenders. Refer to Notes 5 and 10 for additional details.

11. Risk Management (continued)

Credit risk:
Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and accounts receivable.

The Company maintains accounts in high quality financial institutions. At various times, the Company's bank balances may exceed the federally or provincially insured limits.

The Company provides credit, in the normal course of business, to counter-parties that are primarily banks and other financial institutions. The Company performs ongoing credit evaluations of its customers, generally does not require collateral and maintains allowances for potential credit losses, which when realized, have been within the range of management's expectations.

Management determined that the allowance for doubtful accounts was $Nil as of December 31, 2012 and September 30, 2012.

Foreign currency price risk:
The Company's foreign currency holdings may be volatile due to differences or changes in the political and financial environment of the corresponding issuing country. Management believes its exposure to foreign currency fluctuations is mitigated by the short-term nature and rapid turnover of its foreign currency inventory, as well as their use of forward contracts to offset these fluctuations. Due to their nature, some minor and exotic currencies cannot be hedged or are too cost prohibitive to hedge. In order to mitigate the risks associated with holding these currencies, the Company assigns wider bid/ask spreads and maintains specific inventory targets to minimize the impact of exchange rate fluctuations. During any given time, the Company may have up to $500,000 in minor or exotic currencies that are unhedged. A 2% reduction in market price for the aggregate of company's unhedged currencies would result in an exchange loss of $10,000.

Liquidity risk:
Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. Management does not feel that there is a significant risk with respect to liquidity given the nature of operations.

Interest risk:
The Company has cash balances and may have debt that are subject to interest rate fluctuations. A significant portion of the Company's cash is held in tangible foreign currencies and is not subject to interest risk. The Company's debt facilities are subject to interest rate fluctuations and its credit lines described in Note 10 are affected by the bank's prime rate. Management monitors the status of its loans on a consistent basis and will base financing decisions accordingly.

11. Risk Management (continued)

Sensitivity Analysis:
Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a three month period:

Some cash may be subject to floating interest rates. Sensitivity to a plus or minus one percentage point change in interest rates would have a nominal affect on the Company's net income and comprehensive income

(ii) The Company holds significant balances in various foreign currencies. The Company mitigates this risk through the usage of foreign currency forward contracts. Refer to Note 12 for additional details. Because most significant positions are covered by these forward contracts, management does not anticipate a material impact with respect to the fluctuation of foreign currencies.

12. Foreign Currency Forward Contracts

The Company enters into foreign currency forward contracts on a daily basis to mitigate the risk of fluctuations in the exchange rates of its major currency holdings. The forward contracts are recognized at fair value and the gain or loss is recorded daily and is included in commissions on the consolidated statements of income and comprehensive income. The Company's management strategy is to reduce the risk of fluctuations associated with foreign exchange rate changes. The foreign currency forward contracts can be closed immediately resulting in the collateral being liquidated. For the three months ended December 31, 2012, the change in foreign currency value was a gain of $122,880 (three months ended December 31, 2011 - loss - $73,045), the net change from foreign currency forward contracts related to foreign currency inventory holdings was a loss of $96,301 (three months ended December 31, 2011 - gain - $54,283).

As at December 31, 2012 and September 30, 2012 approximately $159,929 and $132,340, respectively, was being held as collateral on these contracts and is reflected as restricted cash held in escrow in the consolidated statements of financial position. See Note 5.

As at December 31, 2012 and September 30, 2012, management has assessed that the fair value of the above foreign currency forward contracts was a nominal amount, given their short-term nature.

In December of 2011, the Company entered in to a forward contract to purchase Cdn$2,000,000 to mitigate the foreign currency exchange risk relating to a short term Cdn$2,000,000 loan entered in to under the Master Purchasing Agreement described in Note 10. The forward contract expired on the due on the date of the Company's public offering described in Note 15. During the three months ending December 31, 2012, the company realized an exchange gain/(loss) on the forward contract of $Nil (three months ending December 31, 2011 - gain- $55,074).

13. Warrant Liability

On March 9, 2012, the Company completed a public offering by issuing 1,380,000 units for gross proceeds of Cdn$9,177,000 (see Note 15). Each unit was comprised of one common share and one common share purchase warrant. The grant date fair value of $1,381,235 was allocated to the warrants based on the Black-Scholes option pricing model using the following inputs:

	March 9, 2012
Risk-free interest rate	0.20%
Expected volatility	59%
Expected dividend yield	Nil
Expected life (years)	1.5
Fair value of common share at grant date	CDN$5.66

Warrants issued by the Company to purchase common shares, for a fixed price stated in Canadian dollars, a currency other than the Company's functional currency of US dollars, and not offered pro rata to all existing shareholders of the same class at the time of issuance, are considered derivative financial liabilities under IFRS. Such warrants are required to be measured and recognized at fair value as a liability with changes subsequent to initial recognition included in the consolidated statement of income and comprehensive income. Subsequently, the warrants became publically traded and the fair value of the warrants is based on the quoted market price of the warrants at each reporting date. The warrant liability is classified as Level 1 within the fair value hierarchy.

On December 24, 2012, 59,634 broker compensation options described in Note 15 were exercised enabling each option holder one common share and one common share purchase warrant.

As at December 31, 2012, the Company adjusted the fair value of the warrant liability to $434,093 based on the quoted market price of the warrants of Cdn$0.30 on December 31, 2012. As a result, the Company realized a non-cash gain of $2,871 during the three months ended December 31, 2012 (three months ended December 31, 2011 - $Nil).

	Warrants	Remaining Expected Life	Weighted average exercise price	Value per warrant	Value
	#	(years)	Cdn$	Cdn$	$
Balance, September 30, 2012	1,380,000	0.94	7.50	0.30	418,827
Issued December 24, 2012	59,634	0.71	7.50	0.30	18,137
Change in fair value (liability) and foreign exchange gain	-	-	-	-	(2,871)
Balance, December 31, 2012	1,439,634	0.69	7.50	0.30	434,093

December 31, 2012 (Expressed in U.S. Dollars)

14. Retirement Plan

The Company has a defined contribution 401(k) retirement plan which covers substantially all employees in the United States who are twenty-one years of age and have achieved 1,000 hours of service with the Company in a period of twelve consecutive months. Participating employees may elect to defer a portion of their compensation on a before or after tax basis in accordance with Section 401(k) of the Internal Revenue Code. The Company makes matching dollar for dollar contributions of up to 4% of each plan participant's gross wages. For the year three months ending December 31, 2012 the Company's matching contribution expense was $23,359 (three months ended December 31, 2011 - $12,658).

15. Shareholders' Equity

Share Capital
The authorized share capital consists of 100,000,000 common shares. The common shares have a par value of $1.00.

In June 2011, the Company obtained approval to split its shares on a 2:1 basis. All references to common shares and per share amounts for all years presented have been retroactively restated to reflect the share split, with the exception of the dollar amounts of share capital and equity reserves. An adjustment to the share capital and equity reserve balances was made during the year ended September 30, 2011 to reflect the adjusted par value of the Company's common shares after the stock split.

On March 9, 2012, the Company completed a public offering by issuing 1,380,000 units at a price of Cdn$6.65 per unit for gross proceeds of Cdn$9,177,000 ($9,240,936). Each unit was comprised of one common share and one common share purchase warrant. Each warrant entitles its holder to purchase one additional share at a price of Cdn$7.50 until September 8, 2013. An amount of $1,381,235 was allocated as a warrant liability on the date of issue as described in Note 13. In connection with the offering, officers and directors combined to purchase 8,100 common shares.

The Company issued broker compensation options entitling the agents to acquire a maximum of 82,800 units at Cdn$6.65 per unit until March 9, 2013. Each unit consists of one common share and one common share purchase warrant exercisable at a price of Cdn$7.50 until September 8, 2013. The grant date fair value of the broker options of $129,512 was determined based on the Black-Scholes option pricing model using the assumptions as presented below:

Risk-free interest rate	0.18%
Expected volatility	59%
Expected dividend yield	Nil
Expected life (years)	1
Fair value of unit at grant date	Cdn$6.65

December 31, 2012 (Expressed in U.S. Dollars)

15. Shareholders' Equity (continued)

On December 24, 2012, 59,634 broker compensation units were exercised for proceeds of Cdn$396,566 ($399,531).

	Broker Options #	Remaining Expected Life (years)	Weighted Average Exercise Price Cdn$	Value $
Balance, September 30, 2011	-	-	-	-
Issued, March 9, 2012	82,800	1.00	6.65	129,512
Balance, September 30, 2012	82,800	0.44	6.65	129,512
Exercised, December 24, 2012	(59,634)	0.21	6.65	(93,277)
Balance, December 31, 2012	23,166	0.19	6.65	36,235

In connection with the offering, the Company also paid cash commission to the agents in the amount of $555,135, and incurred other professional fees and expenses of $272,674 for a total cost of $827,809 of which $703,638 was allocated to common shares and $124,171 related to warrants was expensed.

Stock options

The Company adopted an incentive stock option plan dated April 28, 2011 (the "Plan"). The Plan is a rolling stock option plan, under which 10% of the outstanding shares at any given time are available for issuance thereunder. The purpose of the Plan is to promote the profitability and growth of the Company by facilitating the efforts of the Company to attract and retain directors, senior officers, employees, management and consultants. Vesting terms under the Plan will occur 1/3 upon the first anniversary, 1/3 upon the second anniversary and 1/3 upon the third anniversary of the grant.

On May 4, 2012, the Company granted 90,000 stock options to select employees and directors with an exercise price of Cdn$7.50 and an expiry date of May 4, 2017. During the three months ending December 31, 2012, the Company realized stock based compensation in the amount of $38,621 (three months ending December 31, 2011 - $Nil) which was determined based on the vested portion of the Black-Scholes option pricing model using the assumptions presented below:

Risk-free interest rate	0.78%
Expected volatility	45%
Expected dividend yield	Nil
Expected life (years)	5
Fair value of share at grant date	Cdn$7.30
Fair value of option at grant date	$2.84

December 31, 2012 (Expressed in U.S. Dollars)

15. Shareholders' Equity (continued)

On December 17, 2012, the company granted 116,000 stock options to select employees and directors with an exercise price of Cdn$7.50 and an expiry date of December 18, 2017. During the three months ending December 31, 2012, the Company realized stock based compensation in the amount of $7,226 (three months ending December 31, 2011 - $Nil) which was determined based on the vested portion of the Black-Scholes option pricing model using the assumptions presented below:

Risk-free interest rate	0.74%
Expected volatility	49%
Expected dividend yield	Nil
Expected life (years)	5
Fair value of share at grant date	Cdn$6.75
Fair value of option at grant date	$2.66

The outstanding options as at December 31, 2012 and September 30, 2012 and the respective changes during the periods are summarized as follows:

	Three months ending December 31, 2012			**Year ending September 30, 2012**		
	Number of options #	Weighted average exercise price Cdn$	Vested amount Cdn$	Number of options #	Weighted average exercise price Cdn$	Vested amount Cdn$
Outstanding, beginning of period	90,000	7.50	38,621	-	-	-
Granted	116,000	7.50	7,226	90,000	7.50	64,409
Exercised	-	-	-	-	-	-
Expired	-	-	-	-	-	-
Outstanding, end of period	206,000	7.50	45,847	90,000	7.50	64,409

The following options are outstanding and exercisable at December 31, 2012:

Options Outstanding and Exercisable

Exercise price	**Number outstanding**	**Average remaining contractual life**	**Number exercisable**
Cdn$	#	**(years)**	#
7.50	90,000	4.34	-
7.50	116,000	4.97	-
7.50	206,000	-	-

December 31, 2012 (Expressed in U.S. Dollars)

16. Net Earnings Per Common Share

The calculation of earnings per share is presented below. Diluted earnings per share for the three months ending December 31, 2012 did not include the effect of 1,439,634 warrants and 206,000 stock options as they were anti-dilutive. Diluted earnings per share for the year ended December 31, 2012 included the 23,166 broker options described in Note 16.

	December 31, 2012		December 31, 2011	
Basic				
Net income	$	80,338	$	536,269
Weighted average number of shares outstanding		3,873,371		2,492,068
Basic earnings per share	$	0.02	$	0.22
Diluted				
Net income	$	80,338	$	536,269
Weighted average number of shares outstanding		3,873,860		2,492,068
Diluted earnings per share	$	0.02	$	0.22

17. Operating Expenses

	Three months ended December 31, 2012	Three months ended December 31, 2011
	$	$
Salaries and benefits	1,146,203	900,558
Rent (Note 6)	321,111	247,558
Legal and professional	211,914	128,186
Insurance	97,141	56,249
Postage and shipping	257,248	133,589
Stock based compensation (Note 15)	45,847	-
Travel and lodging	38,935	35,692
License and fees	65,609	54,518
Amortization	68,610	57,964
Software maintenance	29,407	84,143
Foreign exchange	50,989	41,811
Automotive and mileage	27,634	21,220
Currency signage	14,389	21,373
Utilities	26,801	23,004
Office supplies	15,883	14,318
Other expenses	82,099	64,594
Operating expenses	2,499,820	1,884,777

December 31, 2012 (Expressed in U.S. Dollars)

18. Exchange Bank of Canada

On November 23, 2012, the Company submitted its application to continue its wholly-owned subsidiary, Currency Exchange International of Canada Corp., as a new Canadian Schedule I bank. Subject to review and approval of the application by the Office of the Superintendent of Financial Institutions (Canada) and the Minister of Finance (Canada), the new bank will be called "Exchange Bank of Canada" in English and "Banque de Change du Canada" in French and will have its head office in Toronto. During the three months ending December 31, 2012, the Company recognized legal and administrative expenses of $133,389 in relation to the application process (three months ending December 31, 2011 - $Nil).

19. Compensation of Key Management Personnel and Related Party Transactions

In accordance with IAS 24 *Related Party Disclosures*, key management personnel are those persons having authority and responsibility for planning, directing and controlling activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and other members of key management personnel during the three months ended December 31, 2012 and the three months ended December 31, 2011 was as follows:

	Three months ended December 31, 2012	Three months ended December 31, 2011
	$	$
Short-term benefits	124,024	96,839
Post-employment benefits	5,416	1,594
Stock based compensation	44,241	-

On October 1, 2011, the Company entered into an employment agreement with the President and CEO of the Company. Pursuant to this agreement, the Company is committed to pay an annual base salary of $160,500 per annum indefinitely until such time as the agreement is terminated. On September 25, 2012, the Compensation Committee of the Board of Directors agreed to increase the base salary to $200,000 per annum with a maximum cash bonus of up to 62.5% of the annual base salary as part of the Company's short term incentive plan ("STIP"). This contract contains clauses requiring additional payments of a minimum of $321,000 to be made upon the occurrence of certain events such as a change of control or termination for reasons other than cause.

On September 25, 2012, the Compensation Committee of the Board of Directors created STIP for key officers and executives of the Company. The maximum amount of STIP payable for key officers and executives for the fiscal year effective October 1, 2012 will be $368,813 and will be paid upon the achievement of performance objectives.

The Company incurred legal and professional fees in the aggregate of $9,625 for the three months ending December 31, 2012 (three months ending December 31, 2011 - $9,244) charged by entities controlled by directors or. During the three months ended December 31, 2012, the Company incurred an expense of $44,241 from stock options to officers and directors (three months ended December 31, 2011 - $Nil).

On March 9, 2012 the Company completed its public offering described in Note 15. Officers and directors who participated in the offering combined to purchase a total 8,100 units.

December 31, 2012 (Expressed in U.S. Dollars)

20. Other Current Assets

	December 31, 2012	September 30, 2012
	$	$
Prepaid rent	112,625	107,752
Prepaid insurance	47,604	57,879
Forward escrow deposits	5,083	5,083
Due on debit and credit cards	45,705	89,111
Other assets	70,296	53,150
Total	281,313	312,975

21. Subsequent Events

On January 4, 2013, the Company repaid $269,584 on the line of credit described in Note 10.

On January 17, 2013, the Company repaid $1,000,000 on the Master Purchasing Agreement described in Note 10.